

Patronage Dividend Deduction (2006 and later tax years)

Corporation's name	Business number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Tax year-end</td> <td style="text-align: center; border-bottom: 1px solid black;">Month</td> <td style="text-align: center; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> </tr> </table>	Tax year-end	Month	Day	Year	Month	Day			
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Year	Month	Day									

- Use this form to claim a deduction from income for payments made to customers for allocations in proportion to patronage (patronage dividends) made within the year or within the following 12 months
- Patronage dividends paid to non-arm's length persons are deductible only if the payer is a co-operative corporation or a credit union, or if the patronage dividend is a prescribed payment
- Do not include payments made to member customers in an agency relationship under contractual obligations
- Generally, tax-deferred co-operative shares are particular types of shares that are issued after 2005 and before 2026 by an agricultural co-operative corporation to a person or partnership that is an eligible member of the agricultural co-operative corporation at the time of the issuance, pursuant to an allocation in proportion to patronage
- File this schedule with the T2 Corporation Income Tax Return within six months of the end of the tax year
- File an amended Schedule 16 for payments that are deductible in the tax year, but made to customers after filing this schedule
- For more information, see Interpretation Bulletin IT-362, Patronage Dividends

Part 1 – Details of patronage dividends paid and other information

	Member customers	Non-member customers
Payments to customers of the year	101	104
Payments to customers of a previous year	102	105
Totals	1A	1B

Were any of the above patronage dividends paid by an agricultural co-operative corporation in the form of tax-deferred co-operative shares? **150** Yes No

Total patronage dividends paid to all customers (total of amounts 1A and 1B) **109** _____

Total business transacted:

with member customers **110** _____ % 1C

with non-member customers **111** _____ % 1D

Total (line 110 plus line 111) _____ % 1E

Net income before patronage dividend deduction **112** _____

Percentage 1C _____ % × Line 112 _____ = _____ 1F

Note: Keep all documents showing how the payment was made, the date(s) of payment, the date(s) of allocation, and the year(s) of the customer's patronage.

Were the patronage dividends calculated at the same rate to all customers (members and non-members), except to allow for different types, classes, grades or qualities of products, or services? **200** Yes No

Part 2 – Calculation for agricultural co-operative corporations

Complete this part if you answered yes to the question at line 150 above. If you answered no, leave it blank and go to Part 3.

Patronage dividends paid in the form of tax-deferred co-operative shares **209** _____

Amount 1F _____ × 85% _____ = _____ 2A

Enter line 209 or amount 2A, whichever is less _____ 2B

Patronage dividends paid in the form of property other than tax-deferred co-operative shares (line 109 minus line 209) _____ 2C

Amount used in the calculation of the patronage dividend deduction of an agricultural co-operative corporation (amount 2B plus amount 2C) _____ 2D

Part 5 – Calculation of income from an active business carried on in Canada (ABI)

Active business income (ABI) before patronage dividend deduction **118** _____

If line 118 is equal to line 112 in Part 1, enter the patronage dividend deduction from line 116 in Part 3 5A

If the line 118 is different from amount line 112, complete the following:

Total patronage dividends (paid to all customers) attributable to the ABI **119** _____

ABI attributable to member customers business:

Percentage 1C from Part 1 _____ % × Line 118 _____ = 5B

Patronage dividends credited to non-member customers of the year and attributable to income earned from an active business ... **120** _____

Total (amount 5B plus line 120) 5C

Patronage dividend deduction for current-year payments (enter line 119 or amount 5C, whichever is less) **121** _____

Deduction for amounts carried forward:

ABI attributable to member customer business (amount 5B) 5D

Line 121 minus line 120 5E

Total (amount 5D minus amount 5E) **▶** 5F

Portion of amount carried forward that relates to the active business carried on in Canada **122** _____

Amount carried forward that is deductible in the current year (enter amount 5F or line 122, whichever is less) **123** _____

Total of lines 121 and 123 5G

Patronage dividend deduction (enter amount 5A or amount 5G, whichever applies) 5H

Income from active business carried on in Canada (line 118 minus amount 5H) **124** _____

Enter the amount from line 124 at line 400 of the T2 return.